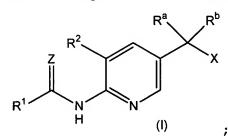
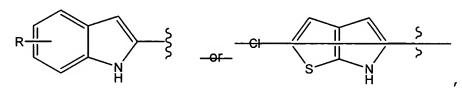
In the Claims:

1. (currently amended) A compound of formula (I)



a stereoisomer or prodrug thereof, or a pharmaceutically acceptable salt of said compound, <u>or</u> stereoisomer, or prodrug, wherein:

 R^1 is



wherein R represents, independently, from 1-3 of hydrogen; - NH_2 ; -CN; - NO_2 ; halogen; - (C_1-C_6) alkyl; or - (C_1-C_6) alkoxy;

 R^2 is $-(C_1-C_6)$ alkoxy;

 $\mbox{\ensuremath{R^a}}$ and $\mbox{\ensuremath{R^b}}$ are -CH $_3$ or -OH, provided $\mbox{\ensuremath{R^a}}$ and $\mbox{\ensuremath{R^b}}$ are not both -OH;

X is $-CH_2OH$; $-COOR^c$, wherein R^c is hydrogen or $-(C_1-C_6)$ alkyl; or -CON(heterocycloalkyl); and

Z is O or S.

2. (currently amended) A compound of claim 1, wherein: $\mathbb{R}^{\frac{1}{2}}$ —is

wherein:

R is halogen;

 R^2 is $-OCH_2CH_3$;

 R^a is $-CH_3$ and R^b is $-OH_i$;

X is $-CH_2OH$ or $-COOR^c$, wherein R^c is hydrogen or $-(C_1-C_6)$ alkyl; and

Z is O.

3. (currently amended) A compound of claim 1 selected from the group consisting of:

5-chloro-1H-indole-2-carboxylic acid-[5-(1,2-dihydroxy-1-methyl-ethyl)-3-ethoxy-pyridin-2-yl]-amide;

2-{6-[(5-chloro-1H-indole-2-carbonyl)-amino]-5-ethoxy-pyridin-3-yl}-2-hydroxy-propionic acid; and

2-{6-[(5-chloro-1H-indole-2-carbonyl)-amino]-5-ethoxy-pyridin-3-yl}-2-hydroxy-propionic acid ethyl ester, a stereoisomer or prodrug thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, or prodrug.

- 4. (canceled)
- 5. (canceled)
- 6. (currently amended) A pharmaceutical composition comprising a compound of claim 1, a stereoisomer or prodrug thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, or prodrug; and a pharmaceutically acceptable carrier, vehicle, or diluent.
- 7. (currently amended) A method of treating atherosclerosis, diabetes, insulin resistance, diabetic neuropathy, diabetic

nephropathy, diabetic retinopathy, cataracts, hypercholesterolemia, hypertriglyceridemia, hyperlipidemia, hyperglycemia, hypertension, tissue ischemia, or mycardial ischemia, which method comprises administering to a mammal in need of such treatment, a therapeutically effective amount of a compound of claim 1, a stereoisomer or prodrug thereof, or a pharmaceutically acceptable salt of said compound, stereoisomer, or prodrug; or a pharmaceutical composition comprising said compound of claim 1, or said stereoisomer ex prodrug thereof, or said pharmaceutically acceptable salt of said compound_ stereoisomer, or prodrug, or pharmaceutically acceptable carrier, vehicle, or diluent.

- 8. (original) A method of claim 7, wherein said condition is diabetes.
- (currently amended) A method of inhibiting glycogen phosphorylase which method comprises administering to a mammal need of such inhibition, а glycogen phosphorylase inhibiting amount of a compound of claim 1, a stereoisomer or prodrug thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, or prodrug; or a pharmaceutical composition comprising said compound of claim 1, or said stereoisomer or prodrug thereof, or said pharmaceutically acceptable salt of said compound, or stereoisomer, or prodrug, and a pharmaceutically acceptable carrier, vehicle, diluent.